



use theirs and others' invested funds to trade bonds, and that this trading program would produce returns of at least 400% within 60 days. For example, in or about January 2007, Coleman falsely told an approximately 65 year old woman ("Investor 1"), that his purported "war bond" trading program would generate returns of approximately 400% within 60 days. Investor 1 then gave Coleman \$25,000 as an investment in that purported program. In April 2007, just before flying to Italy, Coleman issued Investor 1 a \$25,000 personal check, which subsequently bounced. Investor 1's son requested Coleman to return his mother's investment, but neither Coleman nor the Hockey Barn returned any money to Investor 1.

4. In or about December 2006, Coleman solicited a friend ("Investor 3") to invest in what he called a "paper purchase." Coleman falsely told Investor 3 that he planned to pool \$1 million from a group of investors to purchase bonds from the U.S. Government and then sell the bonds back to the government after 60 days. Coleman falsely told Investor 3 that a \$100,000 investment would generate returns of between \$450,000 and \$550,000 (450% to 550%). Investor 3 agreed to make two investments totaling \$225,000. To date, Investor 3 has not received any of the promised returns on his investment, and Coleman has not refunded Investor 3's original investment.

5. Hockey Barn and Coleman have made similar material misrepresentations to at least four investors, who together have invested a total of at least \$390,000.

### VIOLATIONS

6. Through this conduct, and that detailed below, Defendants violated Section 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. § 77q(a), and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. § 78j(b), and Rule 10b-5

thereunder, 17 C.F.R. § 240.10b-5.

### JURISDICTION

7. The Commission brings this action pursuant to authority conferred by Section 20(b) of the Securities Act, 15 U.S.C. § 77t(b), and Section 21(d) of the Exchange Act, 15 U.S.C. § 78u(d), seeking to temporarily restrain, preliminarily enjoin, and permanently enjoin the Defendants from engaging in the wrongful conduct alleged in this complaint. In addition, the Commission seeks a final judgment ordering the Defendants to disgorge their ill-gotten gains, to pay prejudgment interest thereon and to pay civil money penalties pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d) of the Exchange Act, 15 U.S.C. § 78u(d). The Commission also seeks temporarily, and during the pendency of this action, an order freezing the Defendants' assets, and an order directing the Defendants to provide verified accountings. Additionally, the Commission seeks an order directing the Defendants to provide expedited discovery and prohibiting the destruction, alteration, or concealment of documents. Finally, the Commission seeks all other just and appropriate relief.

8. This Court has jurisdiction over this action pursuant to Section 22(a) of the Securities Act, 15 U.S.C. § 77v(a), and Sections 21(d), 21(e) and 27 of the Exchange Act, 15 U.S.C. §§ 78u(d), 77u(e) and 78aa.

9. Venue lies in this district pursuant to Section 22(a) of the Securities Act, 15 U.S.C. § 77v(a), and Section 27 of the Exchange Act, 15 U.S.C. § 78aa. Certain of the transactions, acts, practices and courses of business constituting the violations alleged herein occurred within the Western District of New York. For example, Hockey Barn is located in Amherst, New York.

10. The Defendants, directly or indirectly, singly or in concert, have made use of the means or instrumentalities of transportation or communication in, or the instrumentalities of, interstate commerce, or of the mails, in connection with the transactions, acts, practices, and courses of business alleged in this complaint.

### DEFENDANTS

11. **Hockey Barn** is a New York limited liability company. The address listed for service of process on the New York State Department of State, Division of Corporations, website is 206 Imperial Drive, Amherst, New York 14226. The Hockey Barn LLC does not have securities registered with the Commission.

12. **Coleman**, age 28, is a resident of East Amherst, New York. Coleman is the CEO of Hockey Barn.

### FACTS

#### Hockey Barn and Coleman Solicited Investors

13. By the fall of 2006, Coleman had begun to solicit investors in the Hockey Barn.

14. Coleman told investors that the Hockey Barn was going to develop hockey facilities in New York, Florida, and other states.

15. In November 2006, Coleman solicited a 70-year old man ("Investor 2") to invest in "The Barn." Coleman told Investor 2 that the minimum investment in the Hockey Barn was \$100,000, and that it would provide a 50% return within 60 days. Coleman described his purported plans for the Hockey Barn to Investor 2. Coleman also falsely told Investor 2 that the Buffalo Sabres professional hockey club was interested in using the Hockey Barn as a practice facility. Further, Coleman falsely told Investor 2 that the Coca-Cola Company was interested in

buying the facility in three to four years to compete with the Pepsi Center (an ice facility in the Buffalo area). Although Investor 2 responded that he only could invest \$40,000, Coleman agreed to accept the investment.

16. Investor 2 invested a total of \$40,000 by two separate investments of \$20,000 each (one in November and the second in early December 2006), and he received purported promissory notes from Coleman in return (one in Coleman's name and one in the name of Coleman/The Hockey Barn).

17. In late 2006, Coleman falsely told other potential investors that if they invested \$100,000, he would use their investments, plus the proceeds from a bond trading program that Hockey Barn would carry out, to build hockey facilities.

18. For example, in or about December 2006, Coleman solicited a friend ("Investor 3") to invest in a "paper purchase." Coleman falsely told Investor 3 that he planned to pool \$1 million from a group of investors to purchase bonds from the U.S. Government and then sell the bonds back to the government after 60 days. Coleman falsely told Investor 3 that a \$100,000 investment would generate returns of between \$450,000 and \$550,000 (450% to 550%).

19. In December 2006, Investor 3 agreed to invest \$125,000 with Coleman, and he made the investment with a check payable to Coleman and the Hockey Barn.

20. Shortly after Investor 3's investment, Coleman falsely told Investor 3 that the "first roll" of the paper purchase had gone through and that it was paying an even higher rate of return than expected. Further, Coleman falsely said that he and his group of investors planned to execute a "second roll." Investor 3 agreed to invest an additional \$100,000 with Coleman for the second roll.

21. Coleman provided Investor 3 with a purported promissory note, which Coleman signed (above a signature line for the maker as "Jeffrey Coleman/The Barn,") to secure Investor 3's investment principal.

22. In addition, after Investor 3 made his investments, Coleman provided Investor 3 with two documents entitled "Memorandum of Understanding regarding Paper Purchase" that purportedly memorialized a group of investors' (including Investor 3's) respective "ownership in units of" the paper purchase. For example, one undated Memorandum of Understanding sets out an allocation of ownership in units of the paper purchase to six investors, including Coleman and Investor 3. The Memorandum of Understanding states that this group owns 70% of the paper purchase.

23. The Memorandum of Understanding further falsely states that "[e]ach Unit holder will receive \$550,000 of total monies returned per unit for the first roll of the paper purchase," and that "[m]onies will be wired into each particular individuals (sic) selected bank account by February 23, 2007."

24. Finally, the Memorandum of Understanding regarding the first roll falsely states that "[a] total profit was made of \$7,865,000" and that the investment group "controls 70% of that profit totaling \$6,050,000."

25. Investor 3 introduced a friend of his ("Investor 4") to Coleman. In or around January 2007, Investor 4 invested \$100,000 with Coleman in the purported "paper purchase" referenced above.

26. In early 2007, Coleman solicited Investor 1 and her son. When describing the purported bond trading program to Investor 1's son, Coleman falsely claimed he would purchase

government-backed/guaranteed/secured war bonds and trade the bonds each day for 30 days until the bonds were paid for. Coleman falsely said that he would then sell the bonds and purchase more bonds to trade, which would generate profits for the Hockey Barn. Coleman again described this investment as a "paper purchase." Further, Coleman falsely told Investor 1's son that the bond trading program would generate returns of approximately 400% within 60 days of the investment.

27. In January 2007, Investor 1 agreed to invest \$25,000 in the paper purchase.

28. To date, none of these investors have obtained any return on their investments, much less their promised returns, even though the time frame for obtaining their returns has expired (e.g., 60 days).

29. Consequently, Investors 1, 2, 3, and 4 each have asked Coleman for the return of their investments, and Coleman has promised each that he will return the money to them.

30. For example, in April 2007, right before Coleman left for a trip to Italy, Coleman gave Investor 1's son a personal check for \$25,000, the amount of her initial investment, dated April 12, 2007. Coleman's check to Investor 1 bounced. On behalf of his mother, Investor 1's son requested the return of Investor 1's investment, but Investor 1 has not received any money from either Coleman or the Hockey Barn.

31. Additionally, in an email dated May 18, 2007, to "Jennifer," Coleman suggested that the paper purchase had not occurred, and that he had a mess on his hands. Coleman falsely wrote as follows:

I have the capability to repay the deposits and interest to all parties. I am getting the available funds from another investment that I have just completed in Italy. If I can receive the document I can then finish the mess that this investment put me in because of the complications. I am now moving forward with many other projects as well as the Hockey Barn in Rochester so I will need you alot [sic] over

the next month.

32. Despite these promises, neither Coleman nor the Hockey Barn has returned any money to Investors 1, 2, 3, or 4.

33. Coleman and the Hockey Barn sold investment contracts and promissory notes to Investors 1, 2, 3, and 4, and they were securities.

**Hockey Barn's and Coleman's Representations Were False**

34. The representations described in this complaint that Coleman made to solicit investors were false, and Coleman made each of the false statements either knowingly or recklessly.

35. Coleman's statements concerning the returns on an investment in the "paper purchase" or bond trading program would generate were completely unfounded and otherwise false.

36. Coleman's representations to the Investors were similar to those made in investment schemes that the Commission, the Federal Reserve Bank of New York, and the Federal Bureau of Investigations have warned the public about. For example, all three agencies have highlighted that fraudulent scams promising extremely high returns are often called "roll programs." Similarly, Coleman described the "paper purchase" as "rolls" to certain investors.

37. In addition, Coleman's statements to the Investors regarding Hockey Barn's purported plans to build hockey facilities were without any reasonable basis in fact and otherwise false. Coleman has not taken any significant steps to build or develop any hockey facilities.

38. Further, contrary to Coleman's representations, the Buffalo Sabres never committed to using a Hockey Barn facility.

39. Finally, the Coca Cola Company never agreed to purchase a Hockey Barn facility.

**FIRST CLAIM FOR RELIEF**

**Violations of Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a),  
Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b),  
and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5**

40. The Commission repeats and realleges the allegations contained in paragraphs 1 through 39 by reference as if fully set forth herein.

41. The Defendants, directly and indirectly, singly and in concert, knowingly or recklessly, by the use of the means or instruments of transportation or communication in, and the means or instrumentalities of, interstate commerce, or by the use of the mails, in the offer or sale, and in connection with the purchase or sale, of securities, have: (a) employed devices, schemes or artifices to defraud; (b) obtained money or property by means of, or otherwise made untrue statements of material fact, or omitted to state material facts necessary to make the statements, in light of the circumstances under which they were made, not misleading; and (c) engaged in transactions, acts, practices and courses of business which operated or would operate as a fraud or deceit upon purchasers of securities or other persons.

42. As part, and in furtherance, of this violative conduct, the Defendants conducted a fraudulent scheme to raise money from investors, and made misrepresentations described above, to investors.

43. The Defendants' misrepresentations were material.

44. The Defendants knew, or were reckless in not knowing, that these material misrepresentations were false or misleading.

45. By reason of the acts, omissions, practices, and courses of business set forth in

this complaint, the Defendants have violated, are violating, and unless restrained and enjoined, will continue to violate, Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a), Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

**PRAYER FOR RELIEF**

**WHEREFORE**, Plaintiff Commission respectfully requests that this Court issue:

**I.**

Orders temporarily and preliminarily, and Final Judgments permanently, restraining and enjoining the Defendants, their agents, servants, employees, attorneys in-fact, and all persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, and each of them, from violating Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a), Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

**II.**

An Order directing the Defendants, and their financial and brokerage institutions, agents, servants, employees, attorneys-in-fact, and those persons in active concert or participation with them who receive actual notice of such Order by personal service, facsimile service, or otherwise, to hold and retain within their control, and otherwise prevent, any withdrawal, transfer, pledge, encumbrance, assignment, dissipation, concealment or other disposal of any assets, funds, or other property (including money, real or personal property, securities, commodities, choses in action or other property of any kind whatsoever) of, held by, or under the control of the Defendants, whether held in their names or for their direct or indirect beneficial interest wherever situated.

**III.**

An Order directing the Defendants to each file with this Court and serve upon the Commission verified written accountings, signed by each of them under penalty of perjury.

**IV.**

An Order permitting expedited discovery.

**V.**

An Order enjoining and restraining the Defendants, and any person or entity acting at their direction or on their behalf, from destroying, altering, concealing, or otherwise interfering with the access of the Commission to relevant documents, books and records.

**VI.**

A Final Judgment requiring the Defendants to disgorge their ill-gotten gains from the violative conduct alleged in this complaint, and to pay prejudgment interest thereon.

**VII.**

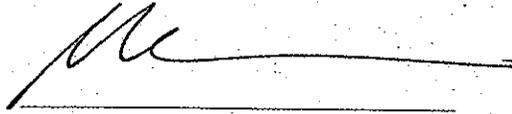
A Final Judgment imposing civil monetary penalties pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d), against the Defendants.

VIII.

Such other and further relief as the Court deems appropriate.

Dated: July 3, 2007  
New York, New York

Respectfully Submitted,



Mark K. Schonfeld  
ATTORNEY FOR PLAINTIFF  
SECURITIES AND EXCHANGE COMMISSION  
New York Regional Office  
3 World Financial Center  
New York, New York 10281  
(212) 336-1020

Of Counsel:

Kay L. Lackey (not admitted in New York)  
Jack Kaufman  
Paul G. Gizzi  
Amelia A. Cottrell